

**Kennebec Behavioral Health
Kennebec Mental Health Associates**

Corporate Compliance Program

Standards of Conduct

PURPOSE

This Standard of Conduct policy has been adopted by the Board of Directors. The intent is to provide a uniform set of standards and guiding principles by which Board Members, officers, employees, agents and interns conduct themselves in order to protect and promote organization-wide integrity and to enhance the organization's ability to achieve its mission.

INTRODUCTION

KBH and KMHA has a Corporate Compliance Committee, which has oversight responsibilities for the compliance activities of the Organization and assisting the Organization's Community in fulfilling its legal and ethical obligations. The Corporate Compliance Committee provides support for functions related to the Organization's operations and activities. The Committee oversees the following areas of compliance activities:

- Informing, training and educating the Organization's Community about the Standards of Conduct and ethical obligations under these Standards
- Monitoring compliance activities, including policies and procedures, and training programs
- Serving as a resource to the Organization on matters of compliance and legal and regulatory changes and assessing and identifying areas of risk
- Maintaining a reporting help line for compliance matters
- Assisting operational units in developing corrective action plans
- Recommending and reviewing disciplinary action for violations of the Standards of Conduct
- Reporting on compliance activities to the Executive Committee of the Board of Directors and the Corporate Compliance Committee through the Compliance Officer

STANDARDS OF CONDUCT

The Standards of Conduct provide guiding Principles articulating ethical standards for administrative officers, managers, direct staff and others representing the Organization in fulfilling the Organization's mission to promote the well being of children, families and individuals of Kennebec and Somerset Counties who experience mental illness, emotional difficulties or behavioral challenges. These Standards of Conduct will be used in conjunction with other Standards of Ethics or Conduct outlined for any and all disciplines staff and Community Members may be governed by (such as NASW, NBCC APA, AMA). The Principles and Standards of Conduct shall be distributed annually to Board Members, officers, selected

employees, agents, and staff having administrative or managerial responsibilities. All staff and others representing the Organization are responsible to ensure that their behavior and activity is consistent with the Standard of Conduct as well as the Organization's policies and procedures, appropriate Codes of Ethics and all applicable federal, state and local laws and regulations, including but not limited to HIPAA, 42 CFR Part 2, Medicare and Medicaid requirements (hereinafter collectively referred to as "Applicable Rules"). If questions arise regarding the existence, interpretation, or application of any law, they should be directed to the Corporate Compliance Officer ("CCO").

These Standards are included in the Orientation Manual and are on the Organization's website at www.kbhmaine.org.

Principle 1 - Compliance with the Law

The Organization will strive to ensure that all activity by or on behalf of the organization is in compliance with Applicable Rules. The following Standards are intended to provide guidance to each member of the Kennebec Mental Health Associates and its subsidiaries (collectively known as the Organization), including Board Members, staff, agents, representatives, contractors and vendors (collectively known herein as Members of the Organization), to assist them in their obligation and responsibility to comply with these Applicable Rules and to maintain a health care and business environment that is committed to integrity and ethical conduct.

Standard 1.1 – Purchasing and Market Competition

The organization is committed to complying with all State and Federal antitrust (monopolies) laws and regulations. Examples of conduct prohibited by the laws include: (1) agreements to fix prices, bid rigging, and collusion (including price sharing) with competitors; (2) boycotts, certain exclusive dealing and price discrimination agreements; and (3) unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation, and similar unfair practices. Members of the Organization are expected to seek advice from the CCO when confronted with business decisions involving a risk of violation of the antitrust laws.

When someone who can influence purchasing decisions made at the organization or the organization takes money or anything of value from a vendor, it can be considered a kickback. No one working at the organization can take a kickback for personal gain. Anti-kickback rules also apply to the recruitment of physicians, clinical staff, and the acquisition of best practices.

Standard 1.2 – Fraud and Abuse

The organization expects its members to refrain from conduct, which may violate the fraud and abuse laws. These laws prohibit: (1) direct, indirect or disguised payments in exchange for the referral of patients; (2) the submission of false, fraudulent or misleading claims to any government entity or third party payer, including claims for services not rendered, claims which characterize the service differently than the service actually rendered, or claims which do not otherwise comply with applicable program or contractual requirements; and (3) making false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service.

Members of the Organization should be aware that if someone refers a client to another provider and receives something of value in exchange, it could be considered a kickback. If a

referring physician, clinical staff person, or their immediate family member, has an ownership or financial interest in the entity to which a client is referred, and payment for the referred services will be made to a federal or state health care program such as Medicaid or Medicare, a federal law, commonly referred to as the “Stark Law”, may prohibit the referral. If a physician or clinical staff person has questions about referrals, he/she should consult with the Compliance Officer.

Standard 1.3 – Tax Status

As a nonprofit entity, the organization has a legal and ethical obligation to act in compliance with Applicable Laws, and to engage in activities in furtherance of its charitable purpose. Consequently, all parties will conduct business for the Organization in a manner that enables it to qualify for and maintain status as a tax-exempt organization under section 501 (c) (3) of the Internal Revenue Code.

Standard 1.4 - Lobbying/Political Activity

It is expected that Members of the Organization will not engage in lobbying or political activity on behalf of or in the name of the organization, which may jeopardize its tax-exempt status.

1. No individual may make any agreement to contribute any money, property or services at the organization’s expense to any political candidate, party, organization, committee, or individual in violation of any applicable rule.
2. The organization may at times publicly offer recommendations concerning legislation or regulations being considered where its experience may be helpful. At the direction of the CEO we may analyze and take public positions on issues that have a relationship to the operations of the organization when our experience contributes to the understanding of such issues.
3. The organization has many contacts and dealings with governmental bodies and officials. All such contacts and transactions shall be conducted in an honest and ethical manner in accordance with Applicable Rules. Any attempt to influence the decision-making process of governmental bodies or officials by an offer of any benefit is absolutely prohibited. Any requests or demands by any governmental representative for any benefit should be immediately reported to the CCO.

Standard 1.5 - Environment

It is the policy of the organization to manage and operate its business in a manner, which respects our environment and conserves natural resources. All will strive to utilize resources appropriately and efficiently, to recycle where possible and otherwise handle all hazardous materials and dispose of all waste in accordance with applicable laws and regulations.

Standard 1.6 - Discrimination

The organization believes that the fair and equitable treatment for all staff, board members, clients, and other persons is critical to fulfilling its vision and goals. It is a policy of the organization to provide its services and to recruit, hire, train, promote, assign, transfer, layoff, recall, and terminate members of the organization based on their own ability, achievement,

experience and conduct without regard to the race, color, religion, sex, ethnic origin, age, or disability of such person, or any other classification prohibited by law.

Standard 1.7 - Controlled Substances

The organization prohibits the unlawful possession, use, manufacture or distribution of illicit drugs and alcohol on its property or as part of any organization sponsored activity. Any staff member who knows or suspects the unlawful or unauthorized possession, use, manufacture or distribution of illicit drugs or alcohol must immediately notify his or her supervisor, Human Resources or the Compliance Officer. Additionally, Members of the Organization and health care professionals, including those who administer medication, must comply with all federal and state laws regulating controlled substances.

Standard 1.8 – Research

The organization is committed to follow all laws and regulations related to scientific research. The organization has adopted a specific policy regarding research. It is essential that the conduct of research activities and the delivery of health care services be documented as required by laws and regulations. Additionally, all organization physicians and clinical staff must follow the documentation rules in the Medicaid and Medicare guidelines.

Standard 1.9 – State and Federally Funded Grants

All staff and representatives will follow all applicable state and federal regulations relating to accurate reporting and appropriate expenditure of grant funds. Questions concerning grants should be directed to the Chief Financial Officer or the Compliance Officer to ensure that all regulations are observed.

Standard 1.10 – Marketing

The organization is committed to follow all laws and regulations related to Marketing. The organization has adopted a specific policy on Marketing. It is essential that the conduct of marketing and fundraising activities and the delivery of health care services be documented as required by laws and regulations.

Principle 2 – Business Ethics

In furtherance of the organization's commitment to the highest standards of business ethics and integrity, all Members of the Organization will accurately and honestly represent the organization and will not engage in any activity or scheme intended to defraud anyone of money, property, or honest services. Business practice for Behavioral Health care services shall be conducted within federal, state guidelines. All Ethical Codes of Conduct for all disciplines shall be adhered to in the delivery of Behavioral Health care services. Clients, families and interested parties shall be treated with dignity and respect at all times. We will adhere to the rights of recipients of Mental Health Services during the provision of all services.

The Standards set forth below are designed to provide guidance to ensure that the organization's business activities reflect the highest standards of business ethics and integrity. The conduct of Members of the Organization not specifically addressed by these standards must be consistent with Principle 2.

Standard 2.1 – Honest and Respectful Communication

The organization requires candor, honesty, and cooperation from individuals in the performance of their responsibilities and in communication with our contractors, auditors and legal council. All Members of the Organization are expected to treat each other, clients, personal representatives and visitors with respect and dignity. It is also expected that all verbal and non-verbal behavior should be courteous, honest, and respectful.

Standard 2.2 – Response to Investigation

It is the obligation of organization to cooperate with government investigators as required by law. If an employee receives a subpoena, search warrant or other similar document, before taking any action, the employee will immediately contact the Compliance Officer, and their immediate supervisor. If a government investigator, agent or auditor comes to the organization, the Compliance Officer, and/or a readily available Executive Management Team member should be contacted before discussing any matters with such investigator, agent or auditor.

Standard 2.3 - Misappropriation of Proprietary Information

Representatives of the organization shall not misappropriate confidential or proprietary information belonging to another person or entity nor utilize any publication, document, computer program, information, or product in violation of a third party's interest in such product. All are responsible to ensure they do not improperly copy documents or computer programs in violation of applicable copyright laws or licensing agreements.

Standard 2.4 – Adherence to Professional Standards

The organization requires that all staff adhere to Ethical Codes of Conduct established for their disciplines in the performance of their responsibilities. All Members of the Organization are expected to treat each other, clients, personal representatives and visitors with respect and dignity and ensure that all rights are observed and respected in the course of business activities.

Principle 3 - Confidentiality

All Members of the Organization shall strive to maintain the confidentiality of clients and other confidential information in accordance with applicable legal and ethical standards.

Standard 3.1 - Client Information

All Members of the Organization have an obligation to conduct themselves in accordance with the principle of maintaining the confidentiality of client information in accordance with all Applicable Rules. Organization policy prohibits the unauthorized seeking, disclosing, or giving of confidential information. Members of the Organization shall not reveal any personal or confidential information concerning clients unless supported by legitimate business or client care purposes.

Standard 3.2 – Proprietary Information

Information, ideas and intellectual property assets of the organization are important to organizational success. Information pertaining to the organization's competitive position or business strategies, payment and reimbursement information, and information relating to

negotiations with Members of the Organization or third parties should be protected and shared only with Members of the Organization having a need to know such information in order to perform their job responsibilities.

Members of the Organization are prohibited from sharing confidential information with competing providers, such as current information or future plans regarding services and directions we will take. All such information is considered proprietary and should not be disclosed to other entities.

Standard 3.3 - Personnel Actions/Decisions

Salary, benefit and other personal information relating to employees shall be treated as confidential. Employee records will be maintained in accordance with applicable law.

Principle 4 - Conflicts of Interest

All Members of the Organization owe a duty of undivided and unqualified loyalty to the Organization and may not use their positions to profit personally or to assist others in profiting in any way at the expense of the organization. (Please refer to the organization's Conflict of Interest Policy's for further guidance.)

Applicable Members must disclose any conflict of interest in the annual Conflict of Interest Statement. If any person is in doubt about whether a situation constitutes a conflict of interest, the matter should be fully disclosed to that person's supervisor or the CCO so that a determination can be made. Violation of this policy will result in appropriate disciplinary action up to an including termination of employment, cessation of business with a vendor, and other appropriate remedies.

Standard 4.1 - Outside Financial Interests

All Members of the Organization must avoid potential, actual or perceived conflicts of interest.

Certain types of activities by an Applicable Member, or immediate family member (spouse, parents, children, siblings) of such person, which might cause conflicts of interest might include: financial interest or employment by an outside entity, representation of the organization where the member or family member may have a personal interest, disclosure of personal activity or business opportunity which is within the scope for the organization's activities, and participating in a transaction with the organization for personal profit.

Standard 4.2 - Participation on Boards of Directors or Trustees

1. An Employee must obtain approval from his/her supervisor prior to serving as a member of the Board of Directors or Trustees of any organization whose interests may conflict with those of the organization.
2. An Employee who is asked, or who seeks to serve on the Board of Directors or Trustees of any organization whose interest would not impact the organization (for example, civic, charitable, fraternal and so forth) will not be required to obtain such approval.
3. All fees/compensation (other than reimbursement for expenses arising from Board participation) that are received for Board services provided during normal work time shall be paid directly to the organization.

4. The organization retains the right to prohibit membership on any Board of Directors or Trustees where such membership might conflict with the best interest of the organization.

Standard 4.3 - Honoraria

Employee's, with the permission of their supervisor, are encouraged to participate as a presenters and speakers at educational programs and functions. However, any honoraria shall be turned over to the organization unless the employee had authorized time off to attend the program or that portion of the program for which the honoraria is paid.

Principle 5 – Business Relationships

All contractors and vendors who provide services to the organization must comply with all Applicable Laws and organization policies. Business transactions with these vendors, contractors and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction.

The Standards set forth below are intended to guide Members of the Organization in determining the appropriateness of the listed activities or behaviors:

Standard 5.1 - Gifts and Gratuities

1. Gifts from Clients. Members are prohibited from soliciting tips, personal gratuities, or gifts from clients and from accepting monetary tips or gratuities. Staff may accept gratuities and gifts of a nominal value from clients. If a client or another individual wishes to present a monetary gift, (s) he should be referred to the Development Office.

2. Gifts Influencing Decision-making. Members shall not accept gifts, favors, services, entertainment, or other things of value to the extent that decision-making or actions affecting the organization might be influenced.

3. Gifts From Existing Vendors. Members may retain gifts from vendors, which have a nominal value. (The organization has made no attempt to define “nominal” as a specific dollar value. Rather, the organization expects Members of the Organization to exercise good judgment and discretion in accepting gifts). If there is any concern as to whether a gift should be accepted, that person should consult with his/her supervisor.

4. Vendor Sponsored Entertainment. At a vendor's invitation, an individual may accept meals or refreshments at the vendor's expense if a regular business representative of the vendor is present. Nothing in this policy shall prohibit a department or supervisor from establishing stricter rules relating to the acceptance of gifts, gratuities or other things of value from vendors.

Standard 5.2 - Workshops, Seminars and Training Sessions

Attendance at local, vendor-sponsored workshops, seminars, and training sessions is permitted. Attendance, at vendor expense, at out-of-town seminars, workshops, and training sessions is permitted only with the approval of the Chief Operations Officer.

Standard 5.3 - Contracting

Members of the organization may not utilize “insider” information for any business activity conducted by or on behalf of the organization. Members of the Organization must

disclose personal relationships and business activities with contractor personnel, which may be construed by an impartial observer as influencing the Member's performance or duties.

Standard 5.4 - Business Inducements

No one shall seek to gain any advantage through the improper use of payments, business courtesies, or other inducements. Offering, giving, soliciting, or receiving any form of bribe or other improper payment is prohibited.

Standard 5.5 – Business Associate Agreements

All contractors and vendors who provide services to the organization must comply with all Applicable Laws and organization policies. All vendors or contractor with access to PHI will be required to enter into and comply with a Business Associate Agreement as outlined under HIPAA regulations.

Principle 6 - Protection of Assets

All Members of the Organization will strive to preserve and protect the organization's assets by making prudent and effective use of the organization's resources and properly and accurately reporting its financial condition.

Standard 6.1 - Internal Control

The organization has established control standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable.

Standard 6.2 - Financial Reporting

All financial reports, accounting records, research reports, expense accounts, time sheets, and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction.

Standard 6.3 - Travel and Entertainment

Travel and entertainment expenses should be consistent with each Member's job responsibility and the Organization's needs and resources. It is the organization's policy that a no one should suffer a financial loss or a financial gain as a result of business travel and entertainment.

Standard 6.4 - Personal Use of the Organization's Assets

No one shall convert assets of the Organization to personal use. All organization property shall be used and business shall be conducted in a manner designed to further the organization's interest rather than the personal interest of individuals.

ADMINISTRATION AND APPLICATION OF THIS CODE OF CONDUCT

The organization expects each person to whom this Standard of Conduct applies to abide by the Principles and Standards contained within to conduct the business and affairs of the organization in a manner consistent with the general statement of principles. As part of this responsibility, all Members of the Organization are expected to report any activity or practice that may violate organizational Policy, Procedures, or any Applicable Rules to their supervisor, the CCO, or the

Confidential Voice Mail Box. Failure to abide by this Standard of Conduct may lead to disciplinary action. Nothing in this Standard of Conduct is intended to or shall be construed as providing any additional employment or contract rights to any Member of the Organization. While the organization will generally attempt to communicate changes concurrent with or prior to the implementation of such changes, the organization reserves the right to modify, amend or alter the Standard of Conduct without notice to any Member.

Obligations to Report Violations

If at any time, you or any member of the organization or representative become aware of an apparent violation of the organization's legal compliance policies or any of the Guidelines outlined in the Standard of Conduct, you must report it to your supervisor or the Compliance Officer. Be assured that these reports will be treated as confidential; these reports will be shared with others only on a bona fide need to know basis. The organization will not take any adverse action against anyone making these reports in good faith, whether or not the report ultimately proves to be well founded

Members of the Organization wanting to make a report of a suspected wrongdoing or a potential problem may contact:

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| Corporate Compliance Officer | X 1004 |
| Confidential Voice Mailbox | X 7000 |

Disciplinary Action

All organization staff and representatives, such as those who hold professional staff privileges, must carry out their duties for the organization as stated in these standards and policy. Any violation of applicable law, or deviation from appropriate ethical standards, will subject an employee or independent professional to disciplinary action up to and including termination of employment. These disciplinary actions also may apply to a supervisor who directs or approves a person's improper actions, or is aware of those actions but does not act appropriately to correct them or who otherwise fails to exercise appropriate supervision. If any staff or representative does not report conduct violating the organization's legal compliance policies, the individual may be subject to disciplinary action, up to and including termination from employment.

Following these Standards of Conduct will help you do the right thing. It will also protect you and the organization. You are encouraged to talk with your supervisor/manager and colleagues if something is not clear and of course the Compliance Officer is always available to assist you.

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